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C O N F I D E N T I A L SECTION 01 OF 02 GUATEMALA 000584

SIPDIS

E.O. 12958: DECL: 03/03/2014

TAGS: PREL MOPS MARR GT

SUBJECT: BERGER ASKS FOR U.S. ASSISTANCE TO PLAN RADICAL REDUCTION OF GUATEMALAN MILITARY

Classified By: PolOff Robert E. Copley for reason 1.5 (b) and (d).

¶11. (C) Summary: Frustrated by military foot-dragging, President Oscar Berger has formally requested US assistance with developing a plan to shrink his military. We have mapped out a process of engagement using E-IMET funds to contract specialized expertise at the Center for Civil Military Relations (CCMR), and the Defense Resource Management Institute (DRMI), but urgently need our 2004 E-IMET funding released, as well as an additional \$150,000, to seize this opportunity. End Summary.

¶12. (C) The Ambassador, PolCouns, DATT, and MilGroup Commander met with Vice President Stein, at his request, on March 2 to discuss ways we can assist. Stein told the Ambassador that Berger has concluded that his military command is unable/unwilling to come up with a workable plan to rationally downsize. Berger was impressed, according to Stein, that we had predicted (in a memo to Stein two weeks earlier) almost precisely the response he received from the military to his orders to plan a drawdown. Berger is determined to make the most of his new government's honeymoon with the press and civil society by taking on the most difficult tasks upfront. Reducing the military's drain on the budget holds the greatest potential to free up resources for Berger's cash-strapped administration.

¶13. (C) Stein also told us Berger has tasked him, along with Minister of Finance Maria Antonietta Bonilla, to engage with the Defense Ministry to find a legal way to cut the military's budget to Q500 million (roughly \$63 million). This would be down from a formal budget of twice that and an effective budget nearly three times as large, due to transfers (although much of this extra money probably does not reach the military). Berger wants to reduce the military's troop levels drastically, by up to 16,000 (out of approximately 27,000).

What we are currently doing to help

¶14. (C) The Ambassador and MilGroup Commander outlined upcoming seminars for Stein--DRMI, 15-26 March and CCMR, 19-21 April--that will provide civilian decision-makers with quantitative tools to build and manage defense budgets and to plan force reductions. Stein was interested and appreciative but stressed that the Berger administration also needs objective assessments of the military's current situation, adding that his government lacks the resources to hire an outside contractor. To address this need, Dr. Tom Bruneau and MG (r) Dick Goetze, both from CCMR, met with the Ambassador and Mil Group Commander on March 6. As a result of that meeting, we have set up a meeting for these CCMR officials with Berger on March 24. CCMR will then modify its 19-21 April seminar to take the President's views on roles, missions and the like into account. We have continuing resolution funds to cover the CCMR and DRMI seminars. However, we urgently need our '04 E-IMET funding released in order to pay for the March 24 executive session and to sustain the momentum we have behind this important initiative.

What we could do with a little more money

¶15. (C) Following the DRMI and CCMR seminars, we will need to deploy a series of functionally focused mobile education teams to design specific transformation/downsizing plans for implementing Berger's directives. We have identified, in consultations with CCMR, an immediate requirement for additional E-IMET funds in the amount of approximately \$150,000 to fund one iteration of the "Civil-Military Relations Pre-Survey" - MASL P309073 (approximately \$30K), and three tailored iterations of the "Civilian Control of the Armed Forces in a Democracy: Methods, Techniques, and Application" mobile education team - MASL #309152 (approximately \$40K each). We are already looking for programs that could be put off until next year in an effort to cobble together funding. Ideally, extra E-IMET funding could be made available to Guatemala as a consequence of redistribution of funds under the American Servicemember's Protection Act. If additional funding is unavailable, we could probably pull already programmed money from our current year E-IMET budget, but cancellation penalties would limit what we can accomplish.

Political Concerns

16. (C) Stein is a little worried that Berger's timeframe is too aggressive and that such a drastic cut could cause the military to balk, or worse. He also expressed concern that, at the same time Berger is challenging the military, he is confronting organized crime by suspending dubious contracts at the ports. As yet, we detect no reaction in the military that would be cause for concern, but will remain alert.

Comment

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17. (C) In addition to taking on organized crime, Berger has apparently decided to challenge the military (and all others who benefit from its large and non-transparent budget). Cutting the military budget in half amounts to throwing down the gauntlet and is a gusty move. It is in our interest that Berger not only prevail, but that he manages to produce a modern, professional force--not just a smaller version of the current military. We have an opportunity to help out and would appreciate a positive response to our resource needs.

HAMILTON